



APPROPRIATIONS SUBCOMMITTEE ON EDUCATION

Interim Meeting **February 13, 2009**

Representative Eddie Lambert
Chairman

Lois Azzarello, 342-2412



Today's Agenda

- Overview
- Funding History
- Mid-year Deficit Reductions
- Existing Operating Budget
- Expenditures by object and functional area
- Student Headcount
- Formula Appropriation per Student FTE
- Personnel
- FY 2009-2010 Budget Requests
- Regents Strategic Plan (2008-2013)



OVERVIEW OF HIGHER EDUCATION

Higher Education Funds are appropriated to:

- Board of Regents
- Louisiana Universities Marine Consortium (LUMCON)
- LSU Board of Supervisors
- Southern Board of Supervisors
- University of Louisiana Board of Supervisors
- Louisiana Community and Technical College System Board of Supervisors



OVERVIEW OF HIGHER EDUCATION

Higher Education Funds are appropriated for:

- 14 four-year universities
- 9 two-year universities
- 2 technical-community colleges
- 40 technical colleges (plus additional satellite locations)
- 2 agricultural extension and research centers
- 1 marine research center (LUMCON)
- 1 biomedical research center (Pennington)
- 2 law schools
- 2 health science centers, including three state hospitals
- a comprehensive group of professional schools ranging from Veterinary Medicine, Medicine, Dentistry and the full spectrum of Allied Health professions



BOARD OF REGENTS

The Board of Regents coordinates all public higher education in Louisiana. Regents:

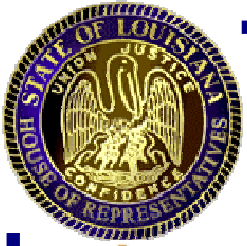
- represents the postsecondary education system to the Governor and the legislature;
- formulates a higher education master plan;
- establishes the role, scope and mission for systems and institutions;
- develops and adopts a higher education formula for submission to the legislature;
- approves degree programs;
- presents budget and capital outlay recommendations to the legislature.



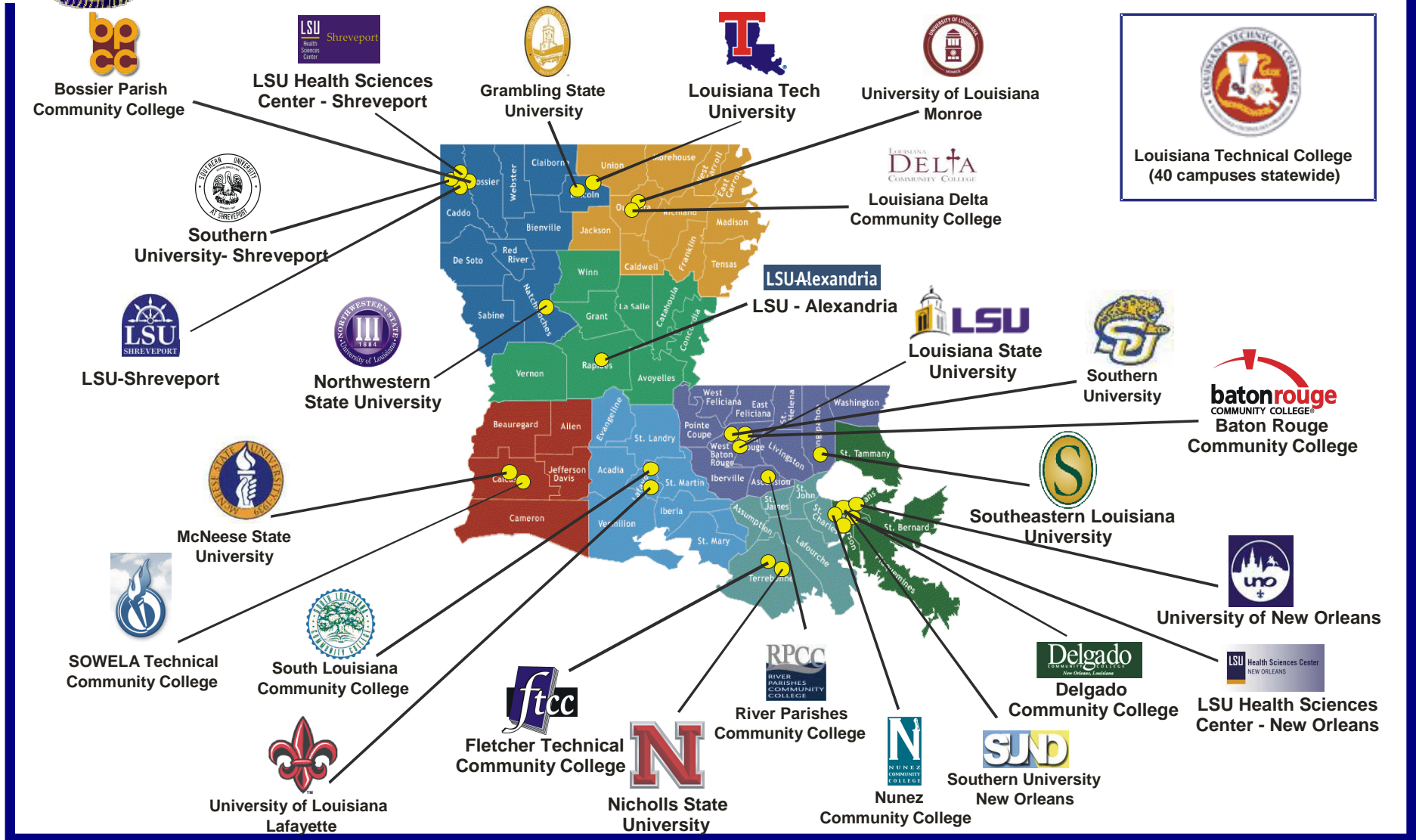
MANAGEMENT BOARDS

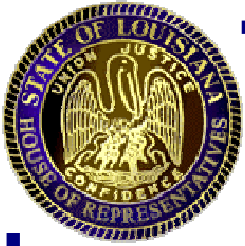
The four management boards oversee the operations of the institutions under their respective jurisdictions. Management boards:

- supervise and manage institutions;
- award certificates, confer degrees, issue diplomas;
- receive and expend appropriated funds, according to the master plan;
- determine student fees;
- purchase land and acquire buildings, subject to Regents approval;
- employ and approve employment, fix salaries, duties and functions of personnel;
- oversee financial operations of schools.



Louisiana's Public Colleges and Universities







Louisiana State University System

- LSU A&M
- LSU Law School
- LSU in Alexandria
- LSU in Shreveport
- University of New Orleans
- LSU in Eunice (2 year)
- LSU Health Science Center in New Orleans
- LSU Health Science Center in Shreveport (includes three state hospitals)
- LSU Agricultural and Extension Center
- Pennington Biomedical Research Center



Southern System

- Southern University Board of Supervisors
- Southern University and Agricultural and Mechanical College (SU A&M)
- Southern University at New Orleans (SUNO)
- Southern University at Shreveport, Louisiana (SUSLA)(2 year)
- Southern University Law Center
- Southern University Agricultural and Extension Center



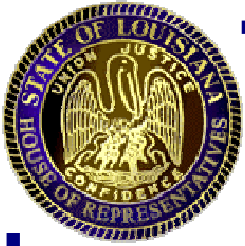
University of Louisiana System

- The University of Louisiana Board of Supervisors
- Grambling State University
- Louisiana Tech University
- McNeese State University
- Nicholls State University
- University of Louisiana in Monroe (ULM)
- Northwestern State University
- Southeastern State University
- University of Louisiana in Lafayette (ULL)



Louisiana Community & Technical Community System

- The Louisiana Community and Technical College Board of Supervisors
- Baton Rouge Community College
- Delgado Community College
- Nunez Community College
- Bossier Parish Community College
- South Louisiana Community College
- River Parishes Community College
- Louisiana Delta Community College
- Louisiana Technical College (40 campuses)
- SOWELA Technical Community College
- L.E. Fletcher Technical Community College



ENACTED Amounts in General Appropriation Bills

HIGHER EDUCATION - STATE GENERAL FUND			
System	FY 2004-05	FY 2008-09	% Growth between FY 08-09 and FY 04-05
Regents	\$32,886,168	\$50,237,106	53%
LUMCON	\$2,930,586	\$3,178,545	8%
LSU system	\$506,167,743	\$690,153,744	36%
Southern system	\$75,241,837	\$92,252,120	23%
UL system	\$294,905,320	\$448,974,588	52%
LCTCS system	\$149,764,665	\$191,889,704	28%
TOTAL	\$1,061,896,319	\$1,476,685,807	39%



ENACTED Amounts in General Appropriation Bills

HIGHER EDUCATION - TOTAL MEANS OF FINANCE			
Means of Finance	FY 2004-05	FY 2008-09	% Change between FY 08- 09 and FY 04- 05
State General Fund (\$	\$1,061,896,319	\$1,476,685,807	39%
Interagency Transfers	\$329,881,492	\$424,677,208	29%
Fees and Self-gen. Re	\$679,722,603	\$744,811,802	10%
Statutory Dedications	\$147,487,210	\$138,289,278	-6%
Interim Emergency Bo	\$0	\$0	0%
Federal Funds (FED)	\$122,828,404	\$93,092,905	-24%
TOTAL	\$2,341,816,028	\$2,877,557,000	23%



Unrestricted vs. Restricted

- Unrestricted Funds are funds eligible for expenditure for any legally allowable purpose in carrying out the official mission, duties and responsibilities of the institution. These funds include state appropriations, tuition and auxiliary enterprises and other funds that are not restricted by a donor, grant or contract.
- Restricted Funds are funds used to account for resources that are available for the operation and support of programs but are restricted by donors, local state or federal agencies, as to the specific purposes for which they may be expended. These funds are referred to as "off-budget" dollars.
- The legislature appropriates unrestricted funds only.



Unrestricted vs. Restricted

Unrestricted Operating Budget Vs Restricted "Off-Budget" Funds (In Millions)

	Enrollment Producing Units*		All Units	
Unrestricted	\$ 1,817.1	61.20%	\$2,904.7	63.50%
Restricted "Off-Budget"	\$ 1,153.1	38.80%	\$1,666.7	36.50%
Total Budget	\$ 2,970.2	100.00%	\$4,571.4	100.00%

* Excludes Regents, system offices, LUMCON, LSU Health Science Centers, Agricultural Centers and Pennington



Discretionary vs. Nondiscretionary State General Fund

	% DN	% NDN
Regents	99%	1%
LUMCON	91%	9%
LSU System	96%	4%
Southern System	95%	5%
University of Louisiana System	95%	5%
LCTCS	96%	4%
Total	96%	4%

Group insurance for retirees, rent in state-owned buildings and capital park security are nondiscretionary expenditures. Most Higher Education dollars are identified discretionary by the Division of Administration.



REVENUE and SPENDING

- Revenues dictate functionality in higher education
- To understand spending, it's first necessary to know where the money is coming from
- Higher Education operates under what economists call the "revenue theory of costs"
- Colleges and universities are limited in their ability to decide where to spend money



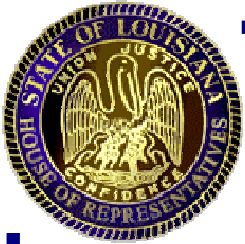
REVENUE

- The primary sources of general revenues for public institutions are state and local appropriations and tuition and fees
- Federal contract and grant money is provided for sponsored research or public service
- Revenue-producing auxiliary enterprises are self-supporting and are not major sources of subsidy for general-purpose instruction



Means of Financing

- Interagency Transfers are revenues from other state agencies.
- Fees and self-generated Revenue are collections from student fees and tuition, from registration and licensing fees paid by post-secondary, academic degree-granting institutions, from fees from Proprietary School Regulation, and from miscellaneous grants from private entities.
- Statutory Dedications are funds created by state statute as provided by legislation, usually dedicated for specific purposes.
- Federal funds include Medicare dollars to state hospitals under LSU HSC in Shreveport. Federal Funds come from the National Science Foundation, the National Aeronautics and Space Administration, the NASA EPSCoR program, the John C. Stennis Space Center/Louisiana Research Consortium and from the U.S. Department of Energy (USDOE). As land grant institutions, both agricultural centers receive federal funds. LUMCON receives federal grants for its research programs.



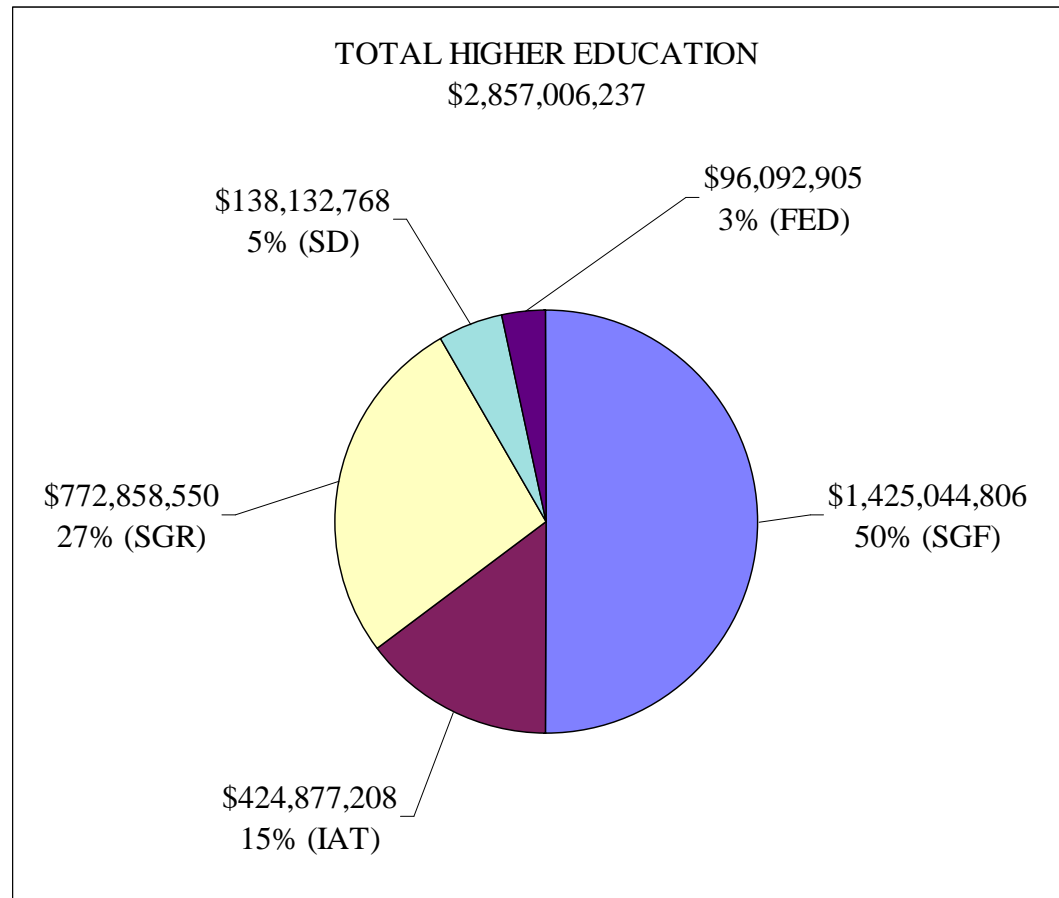
Statutory Dedications

FY 2008-2009 Statutory Dedicated Funds (In Millions of \$)

Higher Education Initiatives Fund	\$.313
Support Education in Louisiana First (SELF)	\$ 53.8
Tobacco Tax Health Care Fund	\$ 27.8
Calcasieu Parish Fund	\$.700
Pari-Mutuel Fund	\$.050
Southern University Ag Center Fund	\$.750
Equine Health Studies Program Fund	\$.750
Fireman Training Fund	\$ 2.9
Two Percent Fire Insurance Fund	\$.210
Louisiana Educational Quality Support Fund	\$ 36.0
Proprietary School Fund	\$.400
WorkForce Rapid Response Fund	\$ 10.0
Overcollections Fund	<u>\$ 4.6</u>
TOTAL	<u>\$ 138.3</u>

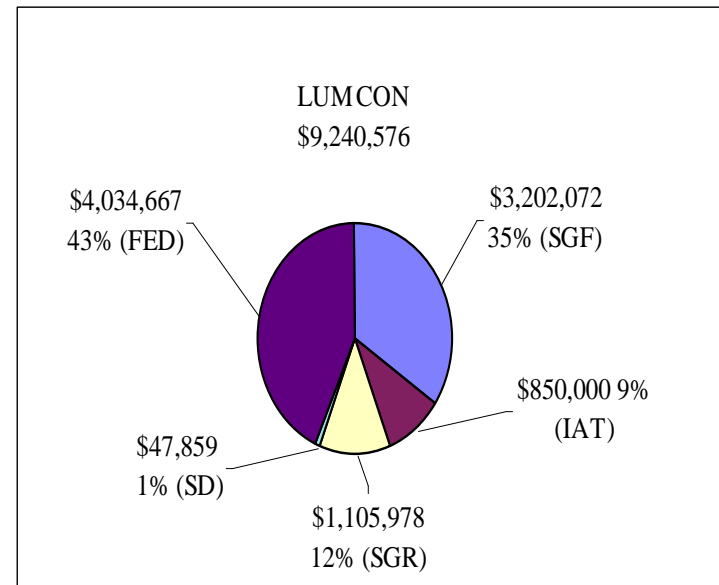
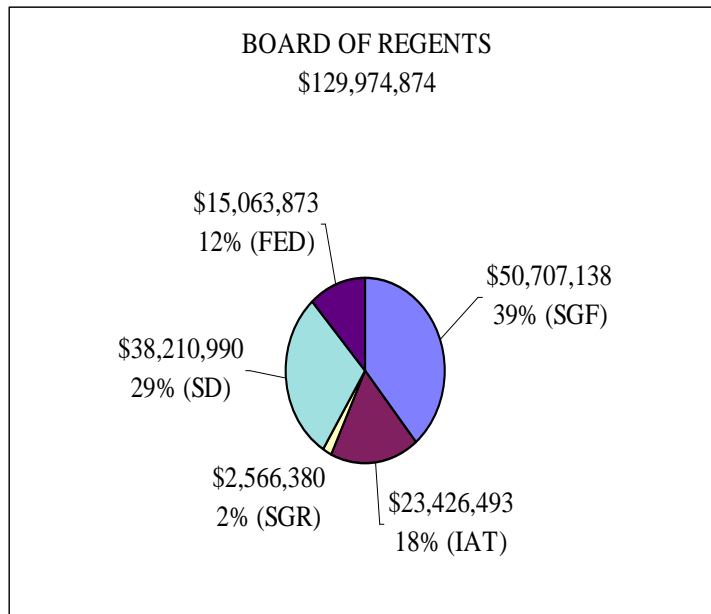


Existing Operating Budget



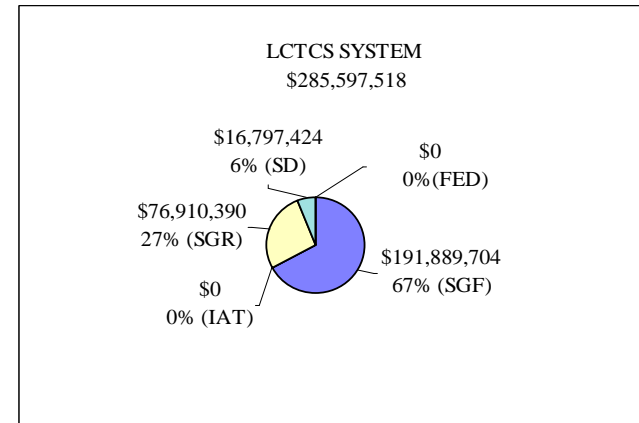
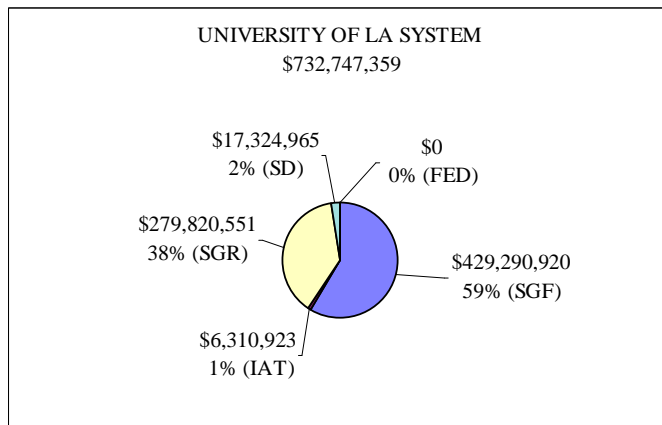
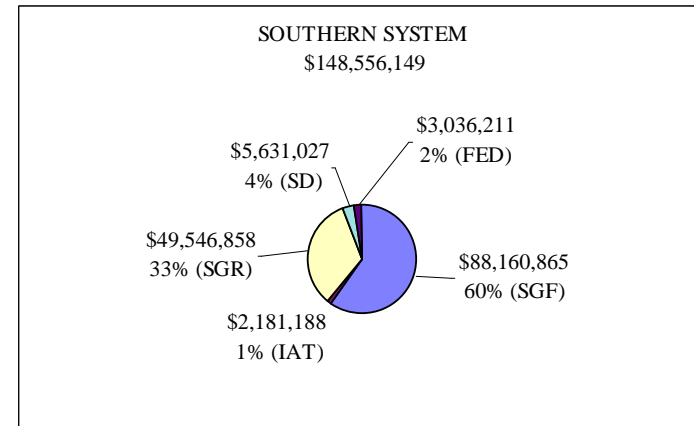
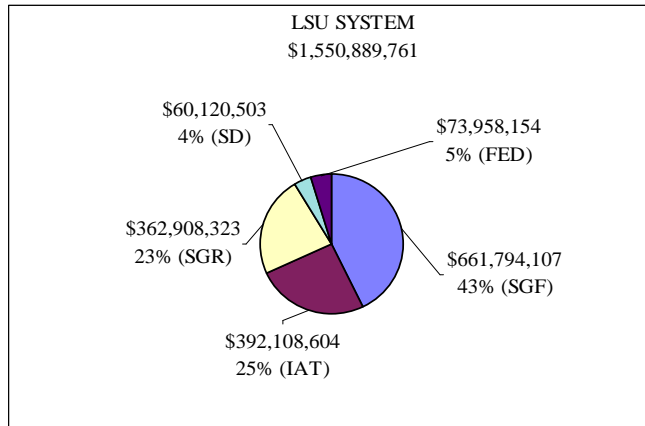


Existing Operating Budget





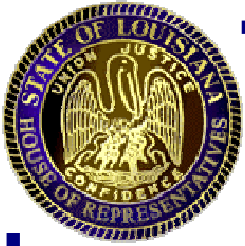
Existing Operating Budget





SCHOOL EXPENDITURES BY OBJECT

	LSU	Southern	UL	LCTCS
Salaries	50%	56%	53%	52%
Other Compensation	4%	0%	1%	2%
Related Benefits	14%	16%	16%	16%
Total Personal Services	68%	73%	71%	70%
Travel	1%	1%	1%	1%
Operating Services	9%	12%	8%	11%
Supplies	9%	2%	2%	3%
Total Operating Expenses	19%	14%	11%	14%
Professional Services	2%	0%	1%	1%
Other Charges	5%	10%	11%	11%
Debt Service	0%	0%	0%	0%
Interagency Transfers	3%	0%	2%	1%
Total Other Charges	10%	11%	14%	12%
General Acquisitions	2%	1%	2%	3%
Library Acquisitions	1%	1%	2%	0%
Major Repairs	0%	1%	1%	0%
Total Acquisitions and Major Repairs	3%	2%	5%	3%
Total Expenditures	100%	100%	100%	100%



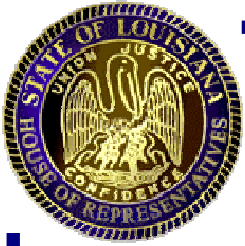
BOARD AND OTHER AGENCIES EXPENDITURES

	Regents	LUMCON	Pennington	LSU	Southern	UL	LCTCS
Salaries	4%	0%	43%	17%	36%	50%	8%
Other Compensation	0%	0%	2%	0%	0%	1%	0%
Related Benefits	1%	0%	10%	4%	2%	17%	2%
Total Personal Services	5%	0%	55%	21%	38%	67%	10%
Travel	0%	0%	1%	1%	3%	1%	1%
Operating Services	3%	5%	28%	4%	1%	2%	3%
Supplies	0%	2%	10%	1%	1%	0%	0%
Total Operating Expenses	3%	7%	39%	5%	4%	3%	4%
Professional Services	0%	0%	3%	12%	1%	7%	1%
Other Charges	85%	84%	0%	27%	5%	14%	83%
Debt Service	0%	0%	0%	0%	0%	0%	0%
Interagency Transfers	5%	6%	0%	34%	49%	9%	1%
Total Other Charges	91%	90%	3%	73%	56%	29%	85%
Acquisitions	1%	3%	3%	0%	0%	0%	1%
Major Repairs	0%	0%	0%	0%	3%	0%	0%
Total Acquisitions and Major Repairs	1%	3%	3%	0%	3%	0%	1%
Total Expenditures	100%	100%	100%	100%	100%	100%	100%



SCHOOL EXPENDITURES BY FUNCTION

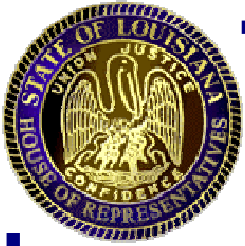
	LSU	SOUTHERN	UL	LCTCS
Instruction	32%	39%	44%	45%
Research	10%	2%	5%	0%
Public Service	2%	2%	1%	0%
Academic Support	7%	11%	9%	6%
Student Services	2%	5%	6%	7%
Institutional Services	7%	21%	12%	20%
Scholarships/Fellowships	3%	4%	6%	1%
Plant Operations/Maintenance	15%	14%	13%	12%
Total E&G Expenditures	78%	97%	95%	91%
Hospital	29%	0%	0%	0%
Transfers out of agency	0%	2%	0%	0%
Athletics	0%	1%	4%	0%
Other	0%	0%	0%	8%
Total Expenditures	100%	100%	100%	100%



STUDENT HEADCOUNT

	Fall 2004	Fall 2005*	Fall 2006	Fall 2007	Fall 2008	Difference between Fall 2008 and Fall 2004	
LSU System	62,937	47,426	54,089	52,462	53,770	(9,167)	-15%
Southern System	15,879	13,393	13,675	13,766	13,773	(2,106)	-13%
UL System	84,408	85,550	80,793	79,383	80,845	(3,563)	-4%
LCTCS System	50,920	30,861	46,775	52,405	59,482	8,562	17%
TOTAL	214,144	177,230	195,332	198,016	207,870	(6,274)	-3%

*Due to the effects of Hurricane Katrina or Rita, several institutions were excused from BOR Fall 2005 reporting requirements.



Formula Appropriation Per Student Full-Time Equivalent (FTE)

	FY 07-08 Formula Appropriation	FY 07-08 Annual FTE Enrollment	FY 07-08 Formula Appropriation Per FTE
LSU A&M	217,984,868	27,535	7,917
LSU Law	9,884,294	775	12,759
LSU-A	11,083,727	1,886	5,877
LSU-E (Two Year)	9,044,837	2,012	4,496
LSU-S	18,861,237	3,119	6,047
UNO	73,837,826	9,365	7,892
LSU System	340,696,789	44,692	7,623
Southern A&M	55,161,490	7,644	7,217
Southern Law	7,415,649	603	12,297
Southern-S (Two Year)	8,857,441	1,837	4,821
SUNO	16,626,070	2,265	7,340
Southern System	88,060,650	12,349	7,131



Formula Appropriation Per Student Full-Time Equivalent (FTE)

	FY 07-08 Formula Appropriation	FY 07-08 Annual FTE Enrollment	FY 07-08 Formula Appropriation Per FTE
Grambling	31,694,727	5,063	6,260
La Tech	59,840,859	9,000	6,649
McNeese	43,247,275	7,331	5,899
Nicholls	35,821,191	6,114	5,859
ULM	57,392,941	7,643	7,509
Northwestern	49,332,713	8,044	6,133
Southeastern	74,042,306	13,016	5,689
ULL	87,576,552	14,627	5,987
UL System	438,948,564	70,838	6,197
Bossier Parish CC	14,053,966	3,562	3,946
BRCC	19,377,497	4,832	4,010
Delgado CC	40,297,923	9,350	4,310
Delta CC	3,318,751	901	3,682
Fletcher Tech CC	4,991,063	878	5,684
LTC (40 campuses)	79,495,169	14,910	5,332
Nunez CC	5,445,110	879	6,195
River Parishes CC	2,554,189	665	3,844
South Louisiana CC	5,765,403	1,870	3,084
Sowela CC	8,299,283	1,426	5,822
LCTCS System	183,598,354	39,273	4,675
TOTAL	1,051,304,357	167,152	6,290



Personnel

- Higher Education's budget reflects board positions only in the authorized Table of Organization. Over the years, the legislature allowed Higher Education schools, including the hospitals, to transfer their authorized positions to Other Charges.



Full-Time Equivalent Employees

	FY 05-06 As of April 2006	FY 06-07 As of November 2006	FY 07-08 As of November 2007	FY 08-09 As of November 2008	Difference between 2009 and 2006
Board of Regents	66	79	82	90	24
LUMCON	61	69	65	70	9
LSU System	17,433	17,487	18,583	19,103	1,172
Southern System	2,168	2,247	2,256	2,292	125
University of LA System	9,488	9,653	10,040	10,188	701
LCTCS System	3,023	3,386	3,604	3,727	703
TOTAL	32,238	32,921	34,630	35,470	2,734
NOTE: Employees split across multiple campuses are counted at each campus. As a result the state totals will duplicate these individuals.					



FY 2009-2010 Budget Request

HIGHER EDUCATION - SGF ONLY					
System	Act 19 FY 08-09	Continuation Budget Adjustments	New and Expanded Requests	Total Requested for FY 09-10	% Change
Regents	\$50,237,106	(\$6,736,360)	\$151,099,379	\$194,600,125	287%
LUMCON	\$3,178,545	\$393,776	\$200,000	\$3,772,321	19%
LSU system	\$690,153,744	\$276,241	\$63,250,784	\$753,680,769	9%
Southern syst	\$92,252,120	\$607,927	\$4,436,806	\$97,296,853	5%
UL system	\$448,974,588	\$215,945	\$518,750	\$449,709,283	0%
LCTCS syste	\$191,889,704	\$213,479	\$30,900,000	\$223,003,183	16%
TOTAL	\$1,476,685,807	(\$5,028,992)	\$250,405,719	\$1,722,062,534	17%



New and Expanded SGF Requests (Regents)

- \$ 92 million for formula schools (Performance Funding Model)
- \$ 24 million for Workforce Development
- \$ 10.8 million for non-formula agencies (boards, health science centers, law centers, agricultural centers, Regents, Pennington and LUMCON)
- \$ 12 million for Community College and Academic Learning Center
- \$ 10 million for Louisiana Innovation Alliance
- \$ 1.5 million for Endowment for the Humanities
- \$ 518,059 for staffing and expenses related to new Performance Funding Model
- \$ 340,000 for Louisiana Library Network Enhancements



New and Expanded SGF Requests (LSU System)

- \$51 million for Electronic Medical Records
- \$12 million for 10 new and expanded requests for Pennington Biomedical:



New and Expanded SGF Requests

- \$ 31 million to LCTCS (\$30 million for implementation of an Enterprise Resource Planning System (ERP) and \$900,000 for Alexandria Regional Workforce Development). The ERP request asks for 35 new positions.
- \$ 4.4 million to Southern System included 18 new and expanded requests.
- \$518,750 to University of Louisiana System for 4 new positions and support for initiatives related to enrollment management, adult learners, community college liaison and distance learning.
- \$200,000 to LUMCON for staff support. This request includes 3 new positions.



Regents Strategic Plan (2008-2013)

Regents has two key goals and four key objectives:

Goal 1: Increase Opportunities for Student Access and Success:

(1) Increase fall 14th class day headcount enrollment in public postsecondary education by 10% from the baseline level of 195,332 in fall 2006 to 214,865 by fall 2012.

(2) Increase minority fall 14th class day headcount enrollment in public postsecondary education by 12% from the baseline level of 64,281 in fall 2006 to 71,995 by fall 2012.

Goal 2: Ensure Quality and Accountability:

(1) Increase the percentage of first-time, full-time, degree-seeking freshman retained to the second year in public postsecondary education by 5.1 percentage points from the fall 2006 baseline level of 74.9% to 80% by fall 2012.

(2) Increase the three/six-year graduation rate in public postsecondary education by 11.6 percentage points over baseline year rate (fall 1999 cohort) of 38.4% to 50.0% by 2012-13 (fall 2006 cohort).